Ministry of
Energy and
Resources

INSTITUTIONAL CONTROL MONITORING AND MAINTENANCE FUND

and the

INSTITUTIONAL CONTROL UNFORESEEN EVENTS FUND

FINANCIAL INFORMATION

For the Year Ended March 31, 2010

Management's Responsibility for Financial Statements

The accompanying financial statements included in the annual report of the Institutional Control Monitoring and Maintenance Fund and the Institutional Control Unforeseen Events Fund for the year ended March 31, 2010, are the responsibility of the management of the Ministry of Energy and Resources. Management has prepared the financial statements in accordance with Canadian generally accepted accounting principles. The financial information presented elsewhere in the annual report is consistent with that in the financial statements.

To ensure the integrity and objectivity of the financial data, management maintains a comprehensive system of internal controls including written policies and procedures, and an organizational structure that segregates duties. These measures provide reasonable assurance that transactions are recorded and executed in compliance with legislation and required authority, that assets are properly safeguarded, and that reliable financial records are maintained.

The financial statements have been audited by the Office of the Provincial Auditor. Its report to the Members of the Legislative Assembly, stating the scope of its examination and opinion on the financial statements, appears after the Introduction.

Kent Campbell
Deputy Minister
Energy and Resources
Regina, Saskatchewan
July 16, 2010

Introduction

The Institutional Control Monitoring and Maintenance Fund and the Institutional Control Unforeseen Events Fund were established on April 3, 2009, pursuant to Sections 11 and 12 of *The Reclaimed Industrial Sites Act* (Act). In 2007, the province legislated the Act and *The Reclaimed Industrial Sites Regulations* (Regulations) to establish and enforce the Institutional Control Program. The program implements the process for the long-term monitoring and maintenance of mine sites when mining/milling activities have ended, remediation has been completed and approved, and the sites are ready to be transferred to provincial responsibility. The two primary components of the program are the Institutional Control Registry and the aforementioned Institutional Control Funds. The registry will maintain a formal record of closed sites, manage the funding and perform any required monitoring and maintenance work.

The funds are administered by the Saskatchewan Ministry of Energy and Resources.

Program Purpose

In 2005, Saskatchewan initiated the formal development of an institutional control framework for the long-term management of decommissioned mine and mill sites on provincial Crown land. The development of the framework was to ensure the health, safety and well-being of future generations, provide greater certainty and closure for the mining industry as well as recognize past stated obligations by the province, as well as national and international obligations for storage of radioactive materials. In 2007, the province legislated the Act and Regulations to establish and enforce the Institutional Control Program.

As noted above, the two primary components of the program are the registry and the two Institutional Control Funds. The registry's work will include records of the location of a closed site and it former operator, site description and historical records of activities, site maintenance, monitoring and inspection documentation and future allowable land use for the site.

The Monitoring and Maintenance Fund will pay for long-term monitoring and maintenance; the Unforeseen Events Fund will pay for unforeseen future events. To address the province's risk of accepting sites into custodial responsibility and the costs of future monitoring and maintenance and unforeseen future events, the holder responsible for an individual site establishes dedicated site-specific funding. The funds are managed by the province but are legislated and independent from provincial revenue.

Program Activities

During the 2009-10 fiscal year, the program accepted six sites into the registry and received the associated financial deposits to the Monitoring and Maintenance Fund and the Unforeseen Events Fund. With the acceptance of the first site the ministry officially established the financial accounts to accept monies and registry site reports to document site information.

No site activities were required in the fiscal year and no expenditures were made.

INSTITUTIONAL CONTROL

MONITORING AND MAINTENANCE FUND

FINANCIAL STATEMENTS

For The Year Ended March 31, 2010

Provincial Auditor Saskatchewan

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1920 Broad Street
Regina, Saskatchewan
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SASKATCHEWAN

AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Institutional Control Monitoring and Maintenance Fund as at March 31, 2010 and the statement of revenues, expenses and net financial assets for the year then ended. The Institutional Control Monitoring and Maintenance Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Institutional Control Monitoring and Maintenance Fund as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 16, 2010

Brian Atkinson, FCA
Acting Provincial Auditor

INSTITUTIONAL CONTROL MONITORING AND MAINTENANCE FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2010	2009
FINANCIAL ASSETS		
Cash (Note 5)	$ 169,652	$ ----
Net Financial Assets (Statement 2) (Note 4)	$ 169,652	$ ----

(See accompanying notes to the financial statements)

INSTITUTIONAL CONTROL
MONITORING AND MAINTENANCE FUND
STATEMENT OF REVENUES, EXPENSES AND NET FINANCIAL ASSETS
Year Ended March 31

	Budget	Actual	
	2010 (Note 8)	2010	2009
Revenues:			
Interest (Note 5)	$ ----	$ ----	$ ----
Fees and Other (Note 7)	----	169,652	----
Total Revenues	----	169,652	----
Expenses:			
Monitoring and Maintenance	----	----	----
Tender Costs	----	----	----
Administration Costs	----	----	----
Total Expenses	----	----	----
Excess of revenues over expenses		169,652	----
Net Financial Assets, beginning of year		----	----
Net Financial Assets, end of year – to Statement 1		$ 169,652	$ ----

(See accompanying notes to the financial statements)

INSTITUTIONAL CONTROL
MONITORING AND MAINTENANCE FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2010

1. Authority

The Institutional Control Monitoring and Maintenance Fund (Fund) was established on April 3, 2009 pursuant to Sections 11 and 12 of *The Reclaimed Industrial Sites Act* (Act). In 2007, the province legislated the Act and The Reclaimed Industrial Sites Regulations (Regulations) to establish and enforce the Institutional Control Program (ICP). Monies paid by a site owner who has completed decommissioning and reclamation work and has applied to enter the site into the Institutional Control Program and are due on acceptance into the program's Registry.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board.

a) Revenue

Revenue is recognized in the period in which the transactions or events that gave rise to the revenue occurred.

3. Statement of Cash Flows

A cash flow statement has not been provided as the cash flow information is readily apparent from the financial statements.

4. Net Financial Assets

The net financial assets represent deposits received in accordance with Section 4 of the Regulations. The net financial assets, together with any future deposits, are available under Sections 11 and 12 of the Act to provide for expenditures for the long term planned monitoring and maintenance activities required at a site.

5. Cash

The Fund's monies are on deposit with Royal Bank and are held separately from the Province's General Revenue Fund. The Royal Bank currently is not paying interest on this account as it is a Business Current Account that does not earn interest or incur service charges.

Currently the Ministry of Energy and Resources is working with the Ministry of Finance to put in place a Letter of Understanding, wherein the Ministry of Finance will facilitate investing activities in regards to these accounts until the Fund is self sufficient and an investment manager can be contracted to provide these services in order for the Fund to begin earning interest.

6. Related Party Transactions

Included in these financial statements are transactions with the Government ministries and agencies related to the Fund by virtue of common control by the Government of Saskatchewan.

The Fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. Currently these costs are borne by the Ministry of Energy and Resources, however, once an investment manager is contracted, these administrative costs will be charged to the Fund accordingly.

7. Fees and Other

Section 4(3) of the Regulations requires a site owner to pay a registration fee of $500.00 to register and enter a site into the Registry. This fee is paid to the Ministry of Energy and Resources.

8. Budget

There is currently no official budget for the Fund as it is not anticipated that, aside from deposits, there will be any activity at this time.

INSTITUTIONAL CONTROL

UNFORESEEN EVENTS FUND

FINANCIAL STATEMENTS

For The Year Ended March 31, 2010

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Institutional Control Unforeseen Events Fund as at March 31, 2010 and the statement of revenues, expenses and net financial assets for the year then ended. The Institutional Control Unforeseen Events Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Institutional Control Unforeseen Events Fund as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 16, 2010

Brian Atkinson, FCA
Acting Provincial Auditor

INSTITUTIONAL CONTROL
UNFORESEEN EVENTS FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2010	2009
FINANCIAL ASSETS		
Cash (Note 5)	$ 27,923	$ ----
Net Financial Assets (Statement 2) (Note 4)	$ 27,923	$ ----

(See accompanying notes to the financial statements)

INSTITUTIONAL CONTROL
UNFORESEEN EVENTS FUND
STATEMENT OF REVENUES, EXPENSES AND NET FINANCIAL ASSETS
Year Ended March 31

	Budget	Actual	
	2010 (Note 8)	2010	2009
Revenues:			
Interest (Note 5)	$ ----	$ ----	$ ----
Fees and Other (Note 7)	----	27,923	----
Total Revenues	----	27,923	----
Expenses:			
Monitoring and Maintenance	----	----	----
Tender Costs	----	----	----
Administration Costs	----	----	----
Total Expenses	----	----	----
Excess of revenues over expenses		27,923	----
Net Financial Assets, beginning of year		----	----
Net Financial Assets, end of year – to Statement 1		$ 27,923	$ ----

(See accompanying notes to the financial statements)

INSTITUTIONAL CONTROL
UNFORESEEN EVENTS FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2010

1. Authority

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